

5.12 Socioeconomic Effects

5.12.1 Environmental Setting

Considerable concern has been previously expressed in comments received during the scoping process for this EIR regarding potential depreciation of property values and the effect of the jail expansion on the social integrity of areas surrounding the project site. The relationship of the jail expansion on the social impacts to the environmental documentation requirements is set forth by the California *Code of Regulations* §15131, which reads in part:

"Economic or social information may be included in an EIR or may be presented in whatever form the agency desires.

- (a) Economic or social effects of a project shall not be treated as significant effects on the environment. An EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the change of cause and effect. The focus of the analysis shall be on the physical changes."

In view of these provisions, and in consideration of previous concerns raised in relation to other jail projects, a project-specific economic impact study has been conducted which addresses the Musick Jail project site and its vicinity. The complete study is provided in Appendix L of this EIR. The economic impact study was prepared by Tarantello and Associates which analyzed the proposed expansion of Musick Jail and potential impact on local property values.

Potential impacts were tested by examining industrial lease rates and residential home prices within three miles of the Musick Jail. The study consists of two sections: residential real estate and industrial properties. The residential section was based on a statistical analysis of recent and historical residential sales prices in Lake Forest within a three-mile proximity of the Musick Jail. The methodology used in the industrial section of the report was a statistical analysis of recent and historic lease rates in the surrounding areas of the Musick Jail, the Irvine Spectrum at the junction of the San Diego Freeway and the Santa Ana Freeway, and the Pacific Commercentre in Lake Forest.

Two time periods were established in the residential section of the report to support the determination of a residential home price impact, if any, to the homes within close proximity to the Musick Jail. The pre-announcement period for purposes of the analysis is defined from May 1, 1995 through April 23, 1996. The post-announcement period includes completed sales activity from April 24, 1996 through July 24, 1996.

The ultimate purpose of any statistical analysis utilized on the basis of collected data is to draw useful conclusions. Inferential statistics techniques were applied on the report by which conclusions were derived about the characteristics of a population from the basis of the collection of observations in the sample. Subsequent changes in industrial lease rates and/or residential property values from pre- and post-announcement periods could be statistically related by employing tests of significance or tests of hypotheses to distance from the jail. It could then be inferred from the test results whether or not these events had somehow affected the surrounding area's property values. Four such test hypotheses were performed.

5.12.2 Project Impacts Prior to Mitigation

The study concludes, on the basis of the data collected, that the announcement of the expansion and increased classification of the Musick Jail has not significantly affected property values in the surrounding area in either the residential or industrial markets.

An identical conclusion was reached in FEIR 558 for the Theo Lacy Jail Expansion. In that case, rather than simply a proposal to expand the facility and increase the classification of inmates there, the facility had already undergone one expansion and was holding maximum security inmates. The study in FEIR 558 was also the latest in a sequence of economic studies examining whether there was any adverse relationship between the jail, its classification or its expansion, and deterioration in the value or physical condition of the surrounding area. No significant impacts were found. Although this latter study is for a different jail in another part of the County, the fact that repeated and lengthy analyses all concur on this issue is substantial evidence that no impacts are anticipated in this area.

The reader is referred to the study in Appendix L if the technical basis for this conclusion is of interest.

5.12.3 Mitigation Measures

No mitigation measures are necessary, as no impacts have been detected.

5.12.4 Level of Significance After Mitigation

There are no significant impacts in this area.